

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 395 – SB 469

March 21, 2015

SUMMARY OF BILL: Exempts operators or passengers from wearing a helmet while riding a motorcycle in a parade if speed is 30 miles per hour or less, and in a funeral procession, memorial ride, or body escort detail, when either the operator or passenger is 18 years of age or older. Current law exempts operators 18 years of age or older from the helmet requirement when operating a motorcycle in a parade at speeds of 30 miles per hour or less.

ESTIMATED FISCAL IMPACT:

On February 21, 2015, a fiscal note was issued for this bill with the following estimated impact:

Other Fiscal Impact – To the extent any person permitted to not wear a helmet as a result of this bill is involved in an accident, and that person either has medical insurance through TennCare or no medical insurance through another provider, there would be a significant increase in state and federal expenditures of an unknown amount based on factors specific to each accident. To the extent any such person incurs a severe head injury; a reasonable base amount is at least \$9,800 in federal expenditures and at least \$5,200 in state expenditures per accident. To the extent no accidents occur, or the individual involved in an accident has medical insurance through a private provider, the fiscal impact is considered not significant

Presented more directly, the fiscal impact is:

(CORRECTED)

Increase State Expenditures – Exceeds \$9,800

Increase Federal Expenditures – Exceeds \$5,200

Corrected Assumptions:

- The Tennessee Association of Chiefs of Police, the Tennessee Sheriffs Association, and the County Technical Assistance Services (CTAS) report that there is no operational impact that will affect their expenditures.
- The Department of Safety reports no operational impact that will affect expenditures.
- The fiscal impact of this bill is dependent upon several unknown factors such as the extent of accidents that will occur involving people who have not worn a helmet as a result of this bill, the timing of when any such accidents may occur, the extent of any

HB 395 – SB 469 (CORRECTED)

such person's injuries when involved in an accident, whether or not they have medical insurance, and whether any such medical insurance is through a private or public provider.

- If an individual not wearing a helmet as a result of the bill is a TennCare enrollee or does not have insurance and the sustained injuries lead to TennCare eligibility, there could be a significant increase in expenditures. While costs vary depending on factors specific to each accident and the injuries sustained, historical costs for TennCare enrollees who incur head injuries can range from \$15,000 - \$60,000 per case annually.
- TennCare expenditures receive a federal match rate of 65.035 percent; thus, at a minimum, for a single incident, the recurring increase in federal expenditures would exceed \$9,755 (\$15,000 x .65035); and the recurring increase in state expenditures would exceed \$5,245 (\$15,000 x .34965).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

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